

DEPARTMENT
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TREASURY DEPARTMENT
BUREAU OF CUSTOMS
INVESTIGATIVE UNIT
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CARE OF AMERICAN CONSUL

SHANGHAI, CHINA

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June 8th, 1936.

Commissioner of Customs,
Division of Customs Agents,
Washington, D. C.

Sir:

There are enclosed herewith for the information of the Bureau and other interested Departments copies of a report, entitled, "The Drug Menace in the Six Cities of North China since their Fall."

Respectfully,

Wm. Jacobson

For the Treasury Attaché

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June 6, 1936.

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THE DRUG TRADE IN THE SIX HSIEN OF HUAILAI

CHAHAR DING: TRAILER FALL.

Since the six hsiens of Tulum (沽魯木), Juchang (居昌),
Xuyuan (沽源), Kongpao (康保), Shangtu (商都) and Chengdeh (承德) in North Chahar were taken by Li Shou-hsin's (李守信) troops through
the scheming of Japanese, drug traffic has been extensively carried
out by the Japanese and Korean ronins in this region.

Of these six hsiens, Tulum is the richest. It became a
commercial port in 1914 and has seen prosperous trade since. In the
city are two large Lama temples, Laitsung (喇其宗) and Shanyin (善因),
in each of which are several thousand lamas. Except for the Padala
Temple (布達拉) of Thibet, no other temple can surpass them in gran-
deur and magnificence. During the fixed period for worship, many
thousands of Mongolians come from far and near to offer their prayers.
In respects both economic and religious, Tulum must be regarded as
the center of North Chahar. Li Shou-hsin's troops occupied the six
hsien at a time when poppy seeds were being sowed. An opium monopo-
ly bureau was established and regulations governing the monopoly of
opium were issued.

The puppet troops under the command of Li Shou-hsin not
only encouraged the peasants to increase their poppy sowing, but also
started to carry out the "narcotization policy" in compliance with
the will of the Japanese. Heroin shops were opened in each of the
six hsiens of North Chahar and manufactories for making morphine and
heroin were set up in Tulum.

Recently a drug store under the name of Yitohore Fumai (一德福) was established at Kalgan for the purpose of selling drugs to the ten hsien of South Chahar. Mr. Chang Yuen-yung (張元興), Garrison Commander at Kalgan, could in no way prevent it.

The transportation of drugs from North Chahar to Kalgan and West Chahar is done on the Kalgan-Tolun and Kalgan-Kulun Highways, with puppet troops escorting the cars. The sales agents in these districts are mostly local rascals.

Statistical data concerning drug traffic in North Chahar are shown in the tables below:

Table I. Drug stores in the six hsien of North Chahar.

<u>Name of hsien</u>	<u>Number of stores</u>	<u>Operator's nationality</u>
Tolun	18	Japanese
Paochang	9	"
Kaiyuan	12	"
Changchuk	9	"
Kangyao	8	"
Shangtu	8	"

Table II. Price of heroin in Kalgan and the six hsien of North Chahar.

<u>Name of place</u>	<u>Price of heroin per tael</u>
Tolun	\$17.00
Paochang, Kaiyuan, Changchuk, Kangyao and Shangtu.	\$17.00 to \$20.00
Kalgan	\$15.00

Table III. Drug companies in Nanking.

<u>Name of company</u>	<u>LOCATION</u>
1. Yitahara Lumai (一德源)	The new market.
2. Kuto Yoko (华光洋行)	
3. Toko Yoko (求光洋行)	
4. Yawo Yoko (太和洋行)	